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DEPARTMENT OF BUSINESS OVERSIGHT
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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of:

THE COMMISSIONER OF BUSINESS
OVERSIGHT,

Complainant,
v.
TERRANCE T. HOLLIDAY, an individual, and
HOLIDAY RX, INC., a California corporation,

Respondents.

FINAL ORDER LEVYING
ADMINISTRATIVE PENALTIES PURSUANT
TO CORPORATIONS CODE SECTION 25252

TO: Terrance T. Holliday
Holiday Rx, Inc.
4143 Via Marina, #819
Marina Del Rey, CA 90292

1. On February 4, 2016, the Commissioner of the Department of Business Oversight (Department) brought an action to issue an order levying administrative penalties pursuant to Corporations Code section 25252 to Respondents Terrance T. Holliday (T. Holliday) and Holiday Rx, Inc. (Holiday Rx).

2. T. Holliday and Holiday Rx are herein collectively referred to as "Respondents."
3. Whenever reference is made in this Final Order to "Respondents" doing any act, the allegation shall mean the act of each respondent acting individually, jointly and severally.
4. In 2010, Respondents offered and sold securities in the State of California, in the form of shares of stock. Respondents represented to investors that T. Holliday was the owner of Holiday Rx and that Holiday Rx owned and operated a chain of successful pharmacies.
5. Respondents offered and sold these securities to at least two (2) investors (referred to herein as S.R. and B.M.) residing in California, raising at least \$100,000.00 in the following amounts:
 - a. Investor S.R. - \$50,000.00, invested on August 26, 2010;
 - b. Investor B.M. - \$50,000.00, invested on December 5, 2010.
6. In connection with the offer and sale of these securities, Respondents made, or caused to be made, misrepresentations of material fact or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading. These misrepresentations and omissions were the following:
 - a. Respondents misrepresented to investors S.R. and B.M. that they would receive a 5% interest return every quarter, when in fact Respondents paid none of the promised interest payments and the entirety of the investors' principal funds remain unpaid to the present.
 - b. Respondents failed to disclose that T. Holliday was diverting funds in the Holiday Rx business bank accounts to pay for personal expenses and luxury items, rental payments for his personal residence, and frequent cash withdrawals.
 - c. Respondents failed to disclose the May 10, 2010, adverse civil judgment for \$201,369.62 against Respondents following trial in the State of Texas, in the lawsuit entitled *Sealy Commerce Park, LP v. Terrance Holliday, et al.*, Case No. 2008-72798.
 - d. With respect to investor B.M., Respondents failed to disclose that, on November 10, 2010, a former Holiday Rx board member, Lance Takao, filed a civil suit in the Superior Court for Los Angeles County against Respondents, demanding an inspection of the

accounting books of Holiday Rx and alleging that T. Holliday had abused his corporate powers by diverting company funds for personal expenses.

7. Corporations Code section 25401 prohibits the offer and/or sale of securities in this state by means of written or oral communications that include untrue statements of material fact or omits material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

8. On or about October 9, 2017, the Commissioner served Respondents under Corporations Code section 25550 with copies of the following documents: (1) the Notice of Intention to Issue Order Levying Administrative Penalties Pursuant to Corporations Code section 25252; (2) Statement in Support of Order Levying Administrative Penalties Pursuant to Corporations Code Section 25252; (3) Statement to Respondent; (4) Notice of Defense; and (5) Government Code Sections 11507.5, 11507.6 and 11507.7.

9. After appropriate notice and opportunity to be heard, Respondents have not requested a hearing on this matter.

10. Corporations Code section 25252 authorizes the Commissioner to issue an order levying administrative penalties against any person for willful violations of any provision of the Corporations Code and any rules thereunder.

WHEREFORE, GOOD CAUSE SHOWING, IT IS HEREBY ORDERED that Terrance T. Holliday and Holiday Rx, Inc. pay administrative penalties pursuant to Corporations Code section 25252 in the amount of \$3,500.00 as follows:

a. First violation: \$1,000.00 for the first transaction in which Respondents offered and sold securities in violation of Corporations Code section 25401 as described in paragraph 5(a);

b. Second violation: \$2,500.00 for the second transaction in which Respondents offered and sold securities in violation of Corporations Code section 25401 as described in paragraph 5(b).

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1 The administrative penalties shall be due and payable to the “Commissioner of Business
2 Oversight” 30 days from the date of this Order. Payment should be mailed to the Department of
3 Business Oversight, Attn: Accounting-Litigation, 1515 K Street, Suite 200, Sacramento, California
4 95814.

5 This order is effective immediately.

6 Dated: May 9, 2018
7 Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

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9 By _____
10 MARY ANN SMITH
11 Deputy Commissioner
12 Enforcement Division
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